

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington D.C. 20554**

In the Matter of

AT&T Corp.

Petition for Rulemaking To Reform
Regulation Of Incumbent Local Exchange
Carrier Rates For Interstate Special
Access Services

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) WC Docket No. 02-____
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DECLARATION OF M. JOSEPH STITH

1. My name is M. Joseph Stith. I am an analyst at AT&T. My responsibilities include analysis of ILEC Special Access. I obtained a Ph.D. in Mathematical Statistics from the University of Missouri in 1978.
2. I have prepared the attached charts, which provide a comparison of each Bell company's tariffed interstate special access rates subject to price caps with their tariffed interstate rates subject to pricing flexibility in each state. The charts also provide a comparison of those rates to the rates for comparable unbundled network elements in each state.
3. I computed the rates as follows. All rates are for a ten-mile stand-alone circuit, to facilitate apples-to-apples comparisons. In other words, each rate is for two channel terminations, a fixed mileage charge for transport, and per-mile charge for transport

(multiplied by ten) In any instance in which the ILEC has zoned rates, I used the Zone 1 rate. All rates are as of August 1, 2002.

4. “ILEC Tariff” is the ILEC’s tariffed month-to-month rate for a ten-mile standalone circuit for special access services still subject to price caps.
5. “ILEC OPP” is the ILEC’s tariffed rate for a ten-mile standalone circuit provided in its optional pricing plan (“OPP”), for services still subject to price caps. All OPP rates are for five-year plans, except where not available, in which case the highest year plan below five years was used.’
6. “ILEC Pricing Flex Tariff” is the ILEC’s tariffed month-to-month rate for a ten-mile standalone circuit for special access services no longer subject to price caps.
7. “ILEC Pricing Flex OPP” is the ILEC’s tariffed rate for a ten-mile standalone circuit provided in its OPP for services no longer subject to price caps.
8. “Month-to-Month Difference Pricing Flex to Price Cap” is the percentage difference between the price capped month-to-month rate and the pricing flexibility month-to-month rate (*i.e.*, the percentage difference between the rates in columns 1 and 3).
9. “OPP % Difference Pricing Flex to Price Cap” is the percentage difference between the price capped OPP rate and the pricing flexibility OPP rate (*i.e.*, the percentage difference between the rates in columns 2 and 4).

¹ “ILEC OPP” does not include payment plans requiring commitment either to an expense level or to a level of expense growth.

10. “UNE rate” is the rate for a loop and transport combination in that state, assuming a ten-mile circuit. The chart displays UNE rates only where such rates are ordered and effective as determined by a state commission.
11. As the data demonstrate, the Bells’ tariffed pricing flexibility rates are equal to or higher than their tariffed price cap rates in virtually every instance. For example, for DSI OPP rates – which represent the largest volumes and the largest expense – SBC-Southwestern Bell’s pricing flexibility rates are more than 35% higher than the price cap rates, SBC-Pacific Bell’s are 24% higher, Verizon-Bell Atlantic-South’s are 16% higher, and Verizon-Bell Atlantic-North’s are 7% to 14% higher (depending on the state). Notably, the Bells charge these higher rates in the largest cities in the United States, where competition is ostensibly the most advanced. Many of the Bells’ other special access services show similar disparities.

Exhibit 1

10/18/2002

Comparison of costs (10-mile Standalone Circuit)

company State

BellSouth Alabama

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$505	\$380	\$601	\$391	19%	3%	\$220
DS3	\$7,210	\$4,075	\$8,180	\$4,575	13%	12%	\$1,485
DS-0 Digital	\$284	\$202	\$284	\$202	0%	0%	\$64
DS-0 Analog	\$151	\$110	\$151	\$110	0%	0%	\$64
OC-3	\$11,630	\$9,520	\$11,980	\$9,600	3%	1%	
OC-12	\$23,990	\$19,810	\$24,440	\$19,450	2%	-2%	
OC-48	\$50,000	\$40,500	\$50,200	\$38,600	0%	-5%	
OC-192	\$129,500	\$104,100	\$129,500	\$95,700	0%	-8%	

BellSouth Georgia

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$505	\$380	\$601	\$391	19%	3%	\$177
DS3	\$7,210	\$4,075	\$8,180	\$4,575	13%	12%	\$1,737
DS-0 Digital	\$284	\$202	\$284	\$202	0%	0%	\$54
DS-0 Analog	\$151	\$110	\$151	\$110	0%	0%	\$54
OC-3	\$11,630	\$9,520	\$11,980	\$9,600	3%	1%	
OC-12	\$23,990	\$19,810	\$24,440	\$19,450	2%	-2%	
OC-48	\$50,000	\$40,500	\$50,200	\$38,600	0%	-5%	
OC-192	\$129,500	\$104,100	\$129,500	\$95,700	0%	-8%	

BellSouth Florida

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$505	\$380	\$601	\$391	19%	3%	\$198
DS3	\$7,210	\$4,075	\$8,180	\$4,575	13%	12%	\$2,070
DS-0 Digital	\$284	\$202	\$284	\$202	0%	0%	\$61
DS-0 Analog	\$151	\$110	\$151	\$110	0%	0%	\$61
OC-3	\$11,630	\$9,520	\$11,980	\$9,600	3%	1%	
OC-12	\$23,990	\$19,810	\$24,440	\$19,450	2%	-2%	
OC-48	\$50,000	\$40,500	\$50,200	\$38,600	0%	-5%	
OC-192	\$129,500	\$104,100	\$129,500	\$95,700	0%	-8%	

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Comparison of costs (10-mile Standalone Circuit)

company State

BellSouth North
Carolina

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$505	\$380	\$601	\$391	19%	3%	\$176
DS3	\$7,210	\$4,075	\$8,180	\$4,575	13%	12%	\$1,772
DS-0 Digital	\$284	\$202	\$284	\$202	0%	0%	\$61
DS-0 Analog	\$151	\$110	\$151	\$110	0%	0%	\$61
OC-3	\$11,630	\$9,520	\$11,980	\$9,600	3%	1%	
OC-12	\$23,990	\$19,810	\$24,440	\$19,450	2%	-2%	
OC-48	\$50,000	\$40,500	\$50,200	\$38,600	0%	-5%	
OC-192	\$129,500	\$104,100	\$129,500	\$95,700	0%	-8%	

BellSouth South
Carolina

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$505	\$380	\$601	\$391	19%	3%	\$183
DS3	\$7,210	\$4,075	\$8,180	\$4,575	13%	12%	Local Ch N/A
DS-0 Digital	\$284	\$202	\$284	\$202	0%	0%	\$63
DS-0 Analog	\$151	\$110	\$151	\$110	0%	0%	\$63
OC-3	\$11,630	\$9,520	\$11,980	\$9,600	3%	1%	
OC-12	\$23,990	\$19,810	\$24,440	\$19,450	2%	-2%	
OC-48	\$50,000	\$40,500	\$50,200	\$38,600	0%	-5%	
OC-192	\$129,500	\$104,100	\$129,500	\$95,700	0%	-8%	

BellSouth Mississippi

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$505	\$380	\$601	\$391	19%	3%	\$169
DS3	\$7,210	\$4,075	\$8,180	\$4,575	13%	12%	\$1,450
DS-0 Digital	\$284	\$202	\$284	\$202	0%	0%	\$59
DS-0 Analog	\$151	\$110	\$151	\$110	0%	0%	\$59
OC-3	\$11,630	\$9,520	\$11,980	\$9,600	3%	1%	
OC-12	\$21,990	\$19,810	\$24,440	\$19,450	2%	-2%	
OC-48	\$50,000	\$40,500	\$50,200	\$38,600	0%	-5%	
OC-192	\$129,500	\$104,100	\$129,500	\$95,700	0%	-8%	

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Comparison of costs (10-mile Standalone Circuit)

Company State

BellSouth Louisiana

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$505	\$380	\$601	\$391	19%	3%	\$224
DS3	\$7,210	\$4,075	\$8,180	\$4,575	13%	12%	\$1,760
DS-0 Digital	\$284	\$202	\$284	\$202	0%	0%	\$75
DS-0 Analog	\$151	\$110	\$151	\$110	0%	0%	\$75
OC-3	\$11,630	\$9,520	\$11,980	\$9,600	3%	1%	
OC-12	\$23,990	\$19,810	\$24,440	\$19,450	2%	-2%	
OC-48	\$50,000	\$40,500	\$50,200	\$38,600	0%	-5%	
OC-192	\$129,500	\$104,100	\$129,500	\$95,700	0%	-8%	

BellSouth Tennessee

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$505	\$380	\$601	\$391	19%	3%	\$175
DS3	\$7,210	\$4,075	\$8,180	\$4,575	13%	12%	\$1,918
DS-0 Digital	\$284	\$202	\$284	\$202	0%	0%	\$61
DS-0 Analog	\$151	\$110	\$151	\$110	0%	0%	\$61
OC-3	\$11,630	\$9,520	\$11,980	\$9,600	3%	1%	
OC-12	\$23,990	\$19,810	\$24,440	\$19,450	2%	-2%	
OC-48	\$50,000	\$40,500	\$50,200	\$38,600	0%	-5%	
OC-192	\$129,500	\$104,100	\$129,500	\$95,700	0%	-8%	

BellSouth Kentucky

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$505	\$380	\$601	\$391	19%	3%	\$191
DS3	\$7,210	\$4,075	\$8,180	\$4,575	13%	12%	\$2,127
DS-0 Digital	\$284	\$202	\$284	\$202	0%	0%	\$76
DS-0 Analog	\$151	\$110	\$151	\$110	0%	0%	\$76
OC-3	\$11,630	\$9,520	\$11,980	\$9,600	3%	1%	
OC-12	\$23,990	\$19,810	\$24,440	\$19,450	2%	-2%	
OC-48	\$50,000	\$40,500	\$50,200	\$38,600	0%	-5%	
OC-192	\$129,500	\$104,100	\$129,500	\$95,700	0%	-8%	

Notes

- 1 DS3 assumed POP channel term and the end-user channel term are between 1/2 and 1 mile of their IEC serving wire centers
- 2 OC-n not offered at month-to-month rater, used 1-year term plan for Tariff pricing. Mileage is offered at month-to-month rater, but Continued to use 1-year term plan.
- 3 Used OC-n 4-wire for interface rater.
- 4 OC-n assumed both channel terms within 1/2 mi of their respective LSOs.
- 5 OC-192 did not have interface rates listed in the tariff, used 4 times the OC-48 rates
- 6 Used 61-month term plans for all services.
- 7 DS3: Assumed a 1-mile end-user and POP channel term.

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Qwest Arizona

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$420	\$326	\$440	\$342	5%	5%	\$371
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	\$4,376
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Mileage N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Mileage N/A
OC-3					N/A	N/A	N/A
OC-12					N/A	N/A	N/A
OC-48					N/A	N/A	N/A
OC-192					N/A	N/A	N/A

Qwest Colorado

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$420	\$326	\$440	\$342	5%	5%	\$153
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	\$1,131
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Mileage N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Mileage N/A
OC-3					N/A	N/A	N/A
OC-12					N/A	N/A	N/A
OC-48					N/A	N/A	N/A
OC-192					N/A	N/A	N/A

Qwest Iowa

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$420	\$326	\$440	\$342	5%	5%	Loop N/A
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	Loop N/A
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Mileage N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Mileage N/A
OC-3					N/A	N/A	N/A
OC-12					N/A	N/A	N/A
OC-48					N/A	N/A	N/A
OC-192					N/A	N/A	N/A

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Qwest Idaho

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	LINE rate
DS1	\$440	\$142	\$460	\$158	5%	4%	Loop & Mi N/A
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	Loop & Mi N/A
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Loop & Mi N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Loop & Mi N/A
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

Qwest Minnesota

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$420	\$326	\$440	\$342	5%	5%	Loop N/A
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	Loop N/A
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Loop & Mi N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Loop & Mi N/A
OC-3					N/A	N/A	N/A
OC-12					N/A	N/A	N/A
OC-48					N/A	N/A	N/A
OC-192					N/A	N/A	N/A

Qwest Montana

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	1440	1342	\$460	\$358	5%	4%	Loop & Mi N/A
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	Loop & Mi N/A
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Loop & Mi N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Loop & Mi N/A
OC-3					N/A	N/A	N/A
OC-12					N/A	N/A	N/A
OC-48					N/A	N/A	N/A
OC-192					N/A	N/A	N/A

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Comparison of costs (10-mile Standalone Circuit)

Company State

Qwest North Dakota

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
	\$3,710	\$342	\$460	\$358	5%	4%	Loop & Mi N/A
		\$2,783	\$3,710	\$2,783	0%	0%	Loop & Mi N/A
US-0 Digital		\$140	\$186	\$149	6%	6%	Loop & Mi N/A
DS-0 Analog		\$79	\$90	\$82	3%	4%	Loop & Mi N/A
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

Qwest Nebraska

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$420	\$326	\$440	\$342	5%	5%	\$227
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	\$1,677
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Mileage N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Mileage N/A
OC-3					N/A	N/A	N/A
OC-12					N/A	N/A	N/A
OC-48					N/A	N/A	N/A
OC-192					N/A	N/A	N/A

Qwest New Mexico

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$420	\$326	\$440	\$342	5%	5%	Loop & Mi N/A
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	Loop & Mi N/A
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Mileage N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Mileage N/A
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

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Comparison of costs (10-mile Standalone Circuit)

company State

Qwest Oregon

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$420	\$326	\$440	\$342	5%	5%	\$221
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	\$1,082
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Mileage N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Mileage N/A
OC-3					N/A	N/A	N/A
OC-12					N/A	N/A	N/A
OC-48					N/A	N/A	N/A
OC-192					N/A	N/A	N/A

Qwest South
Dakota

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$440	\$342	\$460	\$358	5%	4%	Loop & Mi N/A
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	Loop & Mi N/A
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Loop & Mi N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Loop & Mi N/A
OC-3					N/A	N/A	N/A
OC-12					N/A	N/A	N/A
OC-48					N/A	N/A	N/A
OC-192					N/A	N/A	N/A

Qwest Utah

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$420	\$326	\$440	\$342	5%	5%	Loop & Mi N/A
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	Loop & Mi N/A
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Loop & Mi N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Loop & Mi N/A
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

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Comparison of costs (10-mile Standalone Circuit)

Company

Qwest Washington

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$420	\$326	\$440	\$342	5%	5%	Loop & Mi N/A
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	Loop & Mi N/A
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Mileage N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Mileage N/A
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

Qwest Wyoming

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$440	\$342	\$460	\$358	5%	4%	Loop & Mi N/A
DS3	\$3,710	\$2,783	\$3,710	\$2,783	0%	0%	Loop & Mi N/A
DS-0 Digital	\$175	\$140	\$186	\$149	6%	6%	Loop & Mi N/A
DS-0 Analog	\$87	\$79	\$90	\$82	3%	4%	Loop & Mi N/A
OC-3					N/A	N/A	N/A
OC-12					N/A	N/A	N/A
OC-48					N/A	N/A	N/A
OC-192					N/A	N/A	N/A

10/8/2002

Comparison of costs (10-mile Standalone Circuit)

company State

SBC Ameritech Illinois

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$974	\$346	\$974	\$371	0%	7%	\$201
DS3	\$9,460	\$2,480	\$9,460	\$2,736	0%	10%	\$1,966
DS-0 Digital	\$250	\$141	\$268	\$158	7%	12%	Mileage N/A
DS-0 Analog	\$90	\$67	\$112	\$92	24%	37%	Mileage N/A
OC-3	\$7,788	\$5,050	\$7,788	\$5,000	0%	-1%	
OC-12	\$16,848	\$8,520	\$16,848	\$10,720	0%	26%	
OC-48	\$28,846	\$16,000	\$28,846	\$17,180	0%	7%	
OC-192					N/A	N/A	

SBC Ameritech Indiana

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$1,025	\$373	\$1,025	\$392	0%	5%	\$142
DS3	\$9,750	\$2,580	\$9,750	\$2,830	0%	10%	\$1,790
DS-0 Digital	\$250	\$141	\$268	\$158	7%	12%	Loop & Mi N/A
DS-0 Analog	\$90	\$67	\$112	\$92	24%	37%	Loop & Mi N/A
OC-3	\$7,788	\$5,050	\$7,788	\$5,000	0%	-1%	
OC-12	\$16,848	\$8,520	\$16,848	\$10,720	0%	26%	
OC-48	\$28,846	\$16,000	\$28,846	\$17,180	0%	7%	
OC-192					N/A	N/A	

SBC Ameritech Michigan

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$1,002	\$361	\$1,002	\$382	0%	6%	\$94
DS3	\$9,610	\$2,530	\$9,610	\$2,793	0%	10%	\$962
DS-0 Digital	\$250	\$141	\$268	\$158	7%	12%	Mileage N/A
DS-0 Analog	\$90	\$67	\$112	\$92	24%	37%	Mileage N/A
OC-3	\$7,788	\$5,050	\$7,788	\$5,000	0%	-1%	
OC-12	\$16,848	\$8,520	\$16,848	\$10,720	0%	26%	
OC-48	\$28,846	\$16,000	\$28,846	\$17,180	0%	7%	
OC-192					N/A	N/A	

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$1,002	\$361	\$1,002	\$382	0%	6%	\$184
DS3	\$9,610	\$2,530	\$9,610	\$2,793	0%	10%	\$1,888
DS-0 Digital	\$250	\$141	\$268	\$158	7%	12%	Mileage N/A
DS-0 Analog	\$90	\$67	\$112	\$92	24%	37%	Mileage N/A
OC-3	\$7,788	\$5,050	\$7,788	\$5,000	0%	-1%	
OC-12	\$16,848	\$8,520	\$16,848	\$10,720	0%	26%	
OC-48	\$28,846	\$16,000	\$28,846	\$17,180	0%	7%	
OC-192					N/A	N/A	

SBC:Ameritech Wisconsin

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$1,025	1313	11,025	5392	0%	5%	\$190
DS3	19,750	\$2,580	\$9,750	12,830	0%	10%	\$2,316
DS-0 Digital	\$250	\$141	1268	1158	7%	12%	Mileage N/A
DS-0 Analog	\$90	\$67	\$112	\$92	24%	37%	Mileage N/A
OC-3	\$7,788	\$5,050	\$7,788	\$5,000	0%	-1%	
OC-12	\$16,848	\$8,520	\$16,848	\$10,720	0%	26%	
OC-48	\$28,846	\$16,000	\$28,846	\$17,180	0%	7%	
OC-192					N/A	N/A	

Notes:

1 Fixed mileage rates in the tariff were doubled as they are in ABC: Ameritech's billing.

2 OC-n must be purchased as an OPP, when the OPP expires, monthly extension rates are charged. The Tariff prices used these monthly extension rates.

3 DS0-Digital, used Base Rate prices.

101812002

Company State

SBC: Pac Bell California

Comparison of costs (10-mile Standalone Circuit)

Sevice	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$398	\$275	\$411	\$340	3%	24%	\$231
DS3	\$5,680	\$2,480	\$5,810	\$2,750	2%	11%	Loop N/A
DS-0 Digital	\$155	\$155	\$194	\$194	25%	25%	\$73
DS-0 Analog	\$75	\$75	\$86	\$86	15%	15%	\$73
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

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Comparison of costs (10-mile Standalone Circuit)

Company State

SBC/SWBT Arkansas

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$177	\$265	\$588	\$368	2%	19%	\$258
DS3	\$5,525	\$2,600	\$5,625	\$2,850	2%	10%	Loop N/A
DS-0 Digital	\$163	\$106	\$198	\$144	21%	36%	\$106
DS-0 Analog	\$82	\$63	\$108	\$81	33%	29%	\$106
OC-3	\$11,050	\$5,400			N/A	N/A	
OC-12	\$26,030	\$14,900			N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

SBC/SWBT Kansas

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$577	\$265	\$588	\$368	2%	39%	\$258
DS3	\$5,525	\$2,600	\$61,621	\$2,850	2%	10%	Loop & Mi N/A
DS-0 Digital	\$163	\$106	\$198	\$144	21%	16%	\$106
DS-0 Analog	\$82	\$63	\$108	\$81	33%	29%	\$106
OC-3	\$11,050	\$5,400			N/A	N/A	
OC-12	\$26,030	\$14,900			N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

SBC/SWBT Missouri

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$577	\$265	\$588	\$368	2%	37%	\$294
DS3	\$5,525	\$2,600	\$5,625	\$2,850	2%	10%	Loop & Mi N/A
DS-0 Digital	\$163	\$106	\$198	\$144	21%	36%	\$58
DS-0 Analog	\$82	\$63	\$108	\$81	33%	29%	\$58
OC-3	\$11,050	\$5,400			N/A	N/A	
OC-12	\$26,030	\$14,900			N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

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Comparison of costs (10-mile Standalone Circuit)

Company	State	Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex In Price Can	OPP % Difference Pricing Flex In Price Can	UNE rate
SBC SWBT	Oklahoma	DS1	\$577	\$265	\$588	\$268	2%	39%	\$437
		DS3	\$5,525	\$2,600	\$5,625	\$2,850	2%	10%	Loop N/A
		DS-0 Digital	\$163	\$106	\$198	\$144	21%	36%	\$134
		DS-0 Analog	\$82	\$63	\$108	\$81	33%	29%	\$134
		OC-3	\$11,050	\$5,400			N/A	N/A	
		OC-12	\$26,030	\$14,900			N/A	N/A	
		OC-48					N/A	N/A	

Company	State	Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex In Price Can	OPP % Difference Pricing Flex In Price Can	UNE rate
SBC SWBT	Texas	DS1	\$577	\$265	\$577	\$308	0%	36%	\$245
		DS3	\$5,525	\$2,600	\$5,625	\$2,850	2%	10%	Loop & M: N/A
		DS-0 Digital	\$163	\$106	\$198	\$144	21%	36%	\$54
		DS-0 Analog	\$82	\$63	\$108	\$81	33%	29%	\$54
		OC-3	\$11,050	\$5,400			N/A	N/A	
		OC-12	\$26,030	\$14,900			N/A	N/A	
		OC-48					N/A	N/A	

Notes:

1 OC-n not offered at month-to-month rates, used 1-year term plan for Tariff pricing

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Comparison of costs (10-mile Standalone Circuit)

Company State

Verizon:
Bell Atlantic
North Maine

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$801	\$521	\$915	\$595	14%	14%	\$291
DS3	\$6,126	\$3,982	\$6,501	\$3,982	6%	0%	\$2,283
DS-0 Digital	\$209	\$167	\$274	\$219	31%	31%	Mileage N/A
DS-0 Analog	\$182	\$146	\$241	\$193	32%	32%	Mileage N/A
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

Verizon:
Bell Atlantic
North New
Hampshire

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$801	\$521	\$915	\$595	14%	14%	\$339
DS3	\$6,126	\$3,982	\$6,501	\$3,982	6%	0%	\$2,089
DS-0 Digital	\$209	\$167	\$274	\$219	31%	31%	Mileage N/A
DS-0 Analog	\$182	\$146	\$241	\$193	32%	32%	Mileage N/A
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

Verizon:
Bell Atlantic
North

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$801	\$521	\$915	\$595	14%	14%	\$185
DS3	\$6,126	\$3,982	\$6,501	\$3,982	6%	0%	\$2,124
DS-0 Digital	\$209	\$167	\$274	\$219	31%	31%	Mileage N/A
DS-0 Analog	\$182	\$146	\$241	\$193	32%	32%	Mileage N/A
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

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Comparison of costs (10-mile Standalone Circuit)

Company	State	Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
Verizon: Bell Atlantic North	Massachusetts		\$5,78	\$474	\$780	\$507	7%	7%	\$286
				\$3,760	\$6,126	\$3,760	6%	0%	\$2,900
		S-0 Digital		\$167	\$274	\$219	31%	31%	Mileage N/A
		S-0 Analog		\$146	\$241	\$193	32%	32%	Mileage N/A
		OC-3					N/A	N/A	
		OC-12					N/A	N/A	
		OC-48					N/A	N/A	
		OC-192					N/A	N/A	
Verizon: Bell Atlantic North	Rhode Island	Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
		DS1	\$801	\$521	\$915	\$595	14%	14%	\$435
		DS3	\$6,126	\$3,982	\$6,501	\$3,982	6%	0%	\$2,551
		DS-0 Digital	\$209	\$167	\$274	\$219	31%	31%	Mileage N/A
		DS-0 Analog	\$182	\$146	\$241	\$193	32%	32%	Mileage N/A
		OC-3					N/A	N/A	
		OC-12					N/A	N/A	
		OC-48					N/A	N/A	
		OC-192					N/A	N/A	
Verizon: Bell Atlantic North	New York	Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
		DS1	\$671	\$436	\$716	\$466	7%	7%	1272
		DS3	\$5,783	\$3,760	\$6,126	\$3,760	6%	0%	\$2,518
		DS-0 Digital	\$209	\$167	\$266	\$212	27%	27%	Mileage N/A
		DS-0 Analog	\$182	\$146	\$241	\$193	32%	32%	Mileage N/A
		OC-3					N/A	N/A	
		OC-12					N/A	N/A	
		OC-48					N/A	N/A	
		OC-192					N/A	N/A	

Notes:

- 1 DS3 Channel Term are priced based on the number of DS3 channels, both channel terms and entrance facilities, from the specific IEC LSO to the specific customer designated premises. Used count of 25+ (AT&T's modal value, near the lowest value) for the POP channel term rate and count of 1 (highest rate) for the end-user.
- 2 DS0-Digital, used Digipath II prices.

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Comparison of costs (10-mile Standalone Circuit)

Company State
Verizon: Bell Atlantic South Delaware

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$657	\$405	\$780	\$469	19%	16%	\$279
DS3	\$6,143	\$3,993	\$6,881	\$4,046	12%	1%	\$598
DS-0 Digital	\$320	\$173	\$409	\$222	28%	28%	\$48
DS-0 Analog	\$109	\$93	\$148	\$125	37%	35%	\$48
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

Verizon: Bell Atlantic South New Jersey

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$657	\$405	\$780	\$469	19%	16%	\$170
DS3	\$6,143	\$3,993	\$6,881	\$4,046	12%	1%	\$11,957
DS-0 Digital	\$320	\$173	\$409	\$222	28%	28%	\$56
DS-0 Analog	\$109	\$93	\$148	\$125	37%	35%	\$56
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	** A	
OC-192					N/A	N/A	

Verizon: Bell Atlantic South

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$657	\$405	\$780	\$469	19%	16%	\$277
DS3	\$6,143	\$3,993	\$6,881	\$4,046	12%	1%	\$2,490
DS-0 Digital	\$320	\$173	\$409	\$222	28%	28%	\$50
DS-0 Analog	\$109	\$93	\$148	\$125	37%	35%	\$50
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

10/8/2002

Comparison of costs (10-mile Standalone Circuit)

Company State
Verizon: Bell Atlantic South Maryland

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$657	\$405	\$780	\$469	19%	16%	\$21
DS3	\$6,143	\$3,993	\$6,881	\$4,046	12%	1%	\$5
DS-0 Digital	\$320	\$173	\$409	\$222	28%	28%	1
DS-0 Analog	\$109	\$93	\$148	\$125	37%	35%	\$58
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

Verizon: Bell Atlantic South Virginia

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$657	\$405	\$780	\$469	19%	16%	\$256
DS3	\$6,143	\$3,993	\$6,881	\$4,046	12%	1%	\$605
DS-0 Digital	\$320	\$173	\$409	\$222	28%	28%	\$54
DS-0 Analog	\$109	\$93	\$148	\$125	37%	35%	\$54
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

Verizon: Bell Atlantic South DC

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex Can	OPP % Difference Pricing Flex to Price Can	UNE rate
DS1	\$657	\$405	\$780	\$469	19%	16%	\$596
DS3	\$6,143	\$3,993	\$6,881	\$4,046	12%	1%	\$2,417
DS-0 Digital	\$320	\$173	\$409	\$222	28%	28%	\$78
DS-0 Analog	\$109	\$93	\$148	\$125	37%	35%	\$78
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

10/8/2002

Company State
Verizon
Bell Atlantic-
South West Virginia

Comparison of costs (10-mile Standalone Circuit)

Service	ILEC Tariff Mo-to-Mo	ILEC OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Pricing Flex to Price Cap	OPP % Difference Pricing Flex to Price Cap	UNE rate
DS1	\$657	\$405	\$780	\$469	19%	16%	\$275
DS3	\$6,143	\$1,993	\$6,881	\$4,046	12%	1%	\$798
DS-O Digital	\$320	\$173	\$409	\$222	28%	28%	\$50
DS-O Analog	\$109	\$93	\$148	\$125	37%	35%	\$50
OC-3					N/A	N/A	
OC-12					N/A	N/A	
OC-48					N/A	N/A	
OC-192					N/A	N/A	

¹ DS3 Channel Term are priced based on the number of DS3 channels, both channel terms and entrance facilities, from the specific IEC LSC to the specific customer designated premises. Used count of 25+ (AT&T's modal value near the lowest value) for the POP channel term rate and count of 1 (highest rate) for the end-user.

I, M. Joseph *Stith*, declare under penalty of perjury that the foregoing *is* true and correct.

M. Joseph Stith

M. Joseph Stith

Executed on October 7, 2002

LINDA A. ESPOSITO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 18, 2006

Linda A. Esposito

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington **D.C. 20554**

In the Matter of

AT&T Corp.

Petition for Rulemaking To Reform
Regulation Of Incumbent Local Exchange
Carrier Rates For Interstate Special
Access Services

)
)
)
)
) WC Docket No. 02-____
)
)
)
)

DECLARATION OF KENNETH THOMAS

- 1 My name is Kenneth Thomas. I am Local and Access Management Business Development Vice President at AT&T Corp. (“AT&T”). I have previous experience in sales, marketing, network planning and network engineering. I have a BS in Marketing from Kean College.
- 2 One of my responsibilities at AT&T is to lead a team that is charged with identifying and negotiating facilities-based alternatives to the incumbent local exchange carriers’ (“ILEC”) access services. AT&T prefers to obtain access services from sources other than the monopoly ILECs, and my team has invested great effort to find such alternatives.
- 3 Very few such alternatives exist. Today, AT&T serves approximately 186,000 buildings using special access services. Of that 186,000, approximately 6,000 buildings are served using AT&T’s facilities, and another approximately 3,700 buildings are served by CLECs. AT&T must rely on the ILECs’ special access services for the

remaining buildings. In other words, AT&T reaches only about 5% of the buildings it serves by using its own or CLEC facilities (in whole or in part).

4. AT&T looks to two principal alternatives for access services. First, whenever possible, AT&T obtains facilities-based connectivity to end-user buildings from AT&T's Local Network Services ("LNS"). As AT&T has explained in detail in declarations filed in the Triennial Review proceeding, LNS is able to establish connectivity to only a small fraction of buildings. As those declarations demonstrate, AT&T serves only about 6,000 buildings through its own facilities, which represents a small percentage of the T1 equivalents AT&T serves. Moreover, in a substantial percentage of cases, those facilities are in a "fiber to the floor" arrangement – *i.e.*, those facilities cannot be used today to serve other customers in those same buildings. *See Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, et al.*, CC Docket Nos. 01-339 *et al.*, Comments of AT&T, Declaration of Michael E. Leshner and Robert J. Frontera, ¶¶ 16-30, 33-36, 41-43 (filed April 5, 2002); *id.*, Reply Comments of AT&T, Declaration of Anthony Fea and Anthony Giovannucci, ¶¶ 59-68 (filed July 17, 2002). Thus, even in the 6,000 buildings in which AT&T has facilities, AT&T still must rely in part on ILEC special access services in most cases.
5. If AT&T's LNS does not have a facilities-based connection to a building, AT&T seeks facilities-based connections from other competitive local exchange carriers ("CLECs") My team has investigated numerous CLECs' facilities-based offerings, and AT&T has entered into agreements with a number of CLECs that meet AT&T's criteria of service quality, performance measures, and cost effectiveness. AT&T has entered into

agreements with virtually every major CLEC, including MFS/WorldCom, Adelphia, and Time Warner.

6. These CLECs, however, have established alternative facilities to a small fraction of buildings. Indeed, these CLECs together offer AT&T access to an additional approximately 14,000 buildings nationwide, and AT&T actually purchases some access services from these CLECs to about 3,700 buildings. Thus, AT&T achieves at least partial bypass of the ILECs' special access services in about 5% of the buildings in which it purchases special access.¹ Moreover, AT&T uses CLEC special access facilities for only a very small percentage of its total T1 equivalents.
7. AT&T cannot use CLECs, however, to expand the number of buildings in which it bypasses the ILEC to any meaningful degree. Significantly, these CLECs do not offer access to most of the buildings where AT&T currently purchases four or more T1 equivalents from an ILEC. Thus, even within the subset of commercial buildings where AT&T purchases four or more T1 equivalents from the ILEC, AT&T could not replace the vast majority of those special access services with special access services purchased from CLECs.
8. Moreover, even where AT&T has a contractual arrangement with a CLEC, AT&T often cannot use that CLEC to provide access services. First, many CLECs have overstated the extent to which they have buildings "on-net." As noted above, AT&T has contractual arrangements with many of the major CLECs for the right to purchase special access services to any buildings in which they have facilities. In AT&T's

¹ My data are current as of March 2002

experience, many of these CLECs initially represented that they had a certain number of buildings “on-net,” but when AT&T seeks to roll service to their network, AT&T finds that the CLECs actually rely on the *ILEC*’s special access services to reach the building. In other words, although CLECs frequently state that they have an impressive number of buildings “on-net,” in AT&T’s experience that often means that the CLEC is providing only some portion of the service over its own facilities (*i.e.*, that CLEC has deployed a fiber ring).

9. Second, most of the major CLECs that provide alternative access have gone bankrupt. Of the buildings available to AT&T that are served by CLECs other than AT&T, more than half of them are served by companies that have filed for bankruptcy. The widespread bankruptcies of these companies have made their access services largely unavailable to AT&T, because AT&T cannot assume that a bankrupt supplier will remain in business and continue to provide uninterrupted service.
10. Equally important, AT&T’s potential customers are increasingly insisting that AT&T not rely on bankrupt (or potentially bankrupt) CLECs for any part of its service. Indeed, this has become increasingly true since the recent bankruptcy of WorldCom.
11. Third, capacity on CLEC networks also can be expensive, because CLECs typically provide only a modest discount off of the price umbrella of the Bells’ special access services. Even worse, use of a CLEC’s network often requires physically interconnecting with CLECs’ facilities, which often poses costly logistical and other practical problems that do not exist with the ILECs, because of the ILECs’ large integrated networks.

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12. The hard reality is that AT&T and other IXC's remain critically dependent upon the ILECs for last mile access and this situation cannot be expected *to* change anytime soon. AT&T today purchases special access to approximately 186,000 buildings nationwide, but AT&T currently has even a theoretical facilities-based alternative in only a small fraction *of* those buildings. And as explained above, even that is overstated, since many of these buildings or (portions *of* these buildings) are off limits to AT&T because of bankruptcies, fiber to the floor arrangements, and the like. **As a** result, in the vast majority of cases, AT&T has no choice but to purchase special access services from the incumbent.

I, Kenneth Thomas, declare under **penalty of perjury** that the foregoing is true and correct.



Kenneth Thomas

Executed on October 15, 2002